

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC  
Mail Processing  
Section

MAR - 7 2013

SEC FILE NUMBER
8-45056

FACING PAGE

Washington DC

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/12 AND ENDING 12/31/12  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:  
**Porte-IXE Securities International, Ltd.**  
(Reported as Confidential Information)

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

**140 East 45<sup>th</sup> Street, 32<sup>nd</sup> Floor**  
(No. and Street)

**New York** **NY** **10017**  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

**Joe Saa** **212-484-5231**  
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

DEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**Cohen & Schaeffer P.C.**  
(Name - if individual, state last, first, middle name)

**1 Lexington Ave. Suite 2450** **New York** **New York** **10170**  
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

DD  
3/9/13

BANORTE-IXE SECURITIES INTERNATIONAL, LTD.  
(An Indirect Wholly-Owned Subsidiary of  
Casa De Bolsa Banorte-IXE, S.A. De C.V.)  
(S.E.C. I.D. No. 8-45056)

Report Pursuant to Rule 17a-5(e) (3)  
Under the Securities Exchange Act of 1934 as a  
PUBLIC DOCUMENT  
December 31, 2012

COHEN &  
SCHAEFFER  
MANAGEMENT CONSULTANTS, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

**BANORTE-IXE SECURITIES INTERNATIONAL, LTD.**  
**(An Indirect Wholly-Owned Subsidiary of**  
**Casa De Bolsa Banorte-IXE, S.A. De C.V.)**  
**(S.E.C. I.D. No. 8-45056)**

**Report Pursuant to Rule 17a-5(e) (3)**  
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**PUBLIC DOCUMENT**  
**December 31, 2012**

**COHEN &**  
**SCHAEFFER**  

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**CERTIFIED PUBLIC ACCOUNTANTS** <sup>PC.</sup>

BANORTE-IXE SECURITIES INTERNATIONAL, Ltd.  
(An Indirect Wholly-Owned Subsidiary of Casa de Bolsa Banorte-IXE, S.A. De C.V.)  
(S.E.C. I.D. No. 8-45056)

STATEMENT OF FINANCIAL CONDITION  
AS OF DECEMBER 31, 2012  
AND  
INDEPENDENT AUDITORS' REPORT  
AND  
SUPPLEMENTAL REPORT ON INTERNAL CONTROL  
AND  
SUPPLEMENTAL REPORT ON SIPC

\*\*\*\*\*

Filed Pursuant to Rule 17a-5(e)(3) under the Securities Exchange  
Act of 1934 as a Public Document



CERTIFIED PUBLIC ACCOUNTANTS

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NEW YORK, NY 10170

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## **Independent Auditor's Report**

Board of Directors  
Banorte-IXE Securities International, Ltd.

### **Report on the Financial Statements**

We have audited the accompanying statement of financial condition of Banorte-IXE Securities International, Ltd., an indirect wholly-owned subsidiary of Casa de Bolsa Banorte-IXE, S.A. de C.V. (the "Company") as of December 31, 2012, that is filed pursuant to Rule 17a-5(e)(3) under the Securities Exchange Act of 1934, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.*

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banorte-IXE Securities International, Ltd., as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Cohen & Schaeffer P.C.*

New York, New York  
February 28, 2013

**BANORTE-IXE SECURITIES INTERNATIONAL, LTD.**  
**(An indirect wholly-owned subsidiary of Casa de Bolsa Banorte-IXE, S.A. de C.V.)**

**Statement of Financial Condition**  
**As of December 31, 2012**

**Assets**

Cash	\$ 2,853,463
Securities Owned—At fair value (\$7,816,098 held at clearing broker) (Note 3)	8,320,996
Due from Clearing Broker (Note 8)	2,488,711
Accounts Receivable	1,128,065
Furniture, Equipment, Software and Leasehold Improvements (Note 6) (net of accumulated depreciation of \$930,440)	2,014,977
Income Tax Receivable	73,799
Prepaid Expenses	152,910
Security Deposits	<u>504,897</u>
Total Assets	<u>\$ 17,537,818</u>

**Liabilities and Stockholder's Equity**

**Liabilities**

Accrued Compensation	\$ 1,354,096
Accounts Payable and Accrued Expenses	5,422,363
Income Tax Payable (Note 7)	<u>56,616</u>
Total Liabilities	<u>6,833,075</u>

**Commitments and Contingencies (Note 8)**

**Stockholder's Equity**

Common Stock (no par value, 200 shares authorized, 50 shares issued and outstanding)	500
Additional Paid-in Capital	12,668,578
Accumulated Surplus	<u>(1,964,335)</u>
Total Stockholder's Equity	<u>10,704,743</u>
Total Liabilities and Stockholder's Equity	<u>\$ 17,537,818</u>

The accompanying notes are an integral part of these financial statements.

**BANORTE-IXE SECURITIES INTERNATIONAL, LTD**  
**(An indirect wholly-owned subsidiary of Casa de Bolsa Banorte-IXE, S.A. de C.V.)**

**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**1. ORGANIZATION AND DESCRIPTION OF BUSINESS**

Banorte-IXE Securities International Ltd. (the "Company"), an indirect wholly-owned subsidiary of Casa de Bolsa Banorte-IXE, S.A. de C.V. ("Bolsa"), is a New York corporation which was organized in February 1992 and commenced operations in August 1993. The Company trades in Mexican and U.S. securities, primarily on the Mexican stock exchange and the over the counter markets. The Company is an introducing broker-dealer.

On February 1, 2012 the Company merged with IXE Securities, LLC as part of the merger of the ultimate holding company with IXE Grupo Financiero.

The Company receives commission on all trades introduced during the year.

All domestic securities transactions are cleared through clearing brokers on a fully disclosed basis and, accordingly, the Company does not carry securities accounts for these customers or perform custodial functions relating to their securities. The Company is registered with the Securities Exchange Commission and is a member of the Financial Industry Regulatory Authority Inc (FINRA). Receivable from clearing brokers consists primarily of cash balances held at the clearing brokers. The Company is also a member of Securities Investors Protection Corporation (SIPC).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). These financial statements were approved by management and available for issuance on January 28, 2013.

The significant accounting policies followed in the preparation of the financial statements on a consistent basis are:

**Cash and cash equivalents**

The Company defines cash and cash equivalent as highly-liquid investments with original maturities of three months or less at the time of purchase, other than those held for sale in the ordinary course of business. At December 31, 2012 substantially all of the Company's financial instruments are carried at fair value or amounts approximating fair value.

**Fixed assets**

Furniture, equipment, software and leasehold improvements are recorded at cost, net of accumulated depreciation and amortization. Furniture, equipment and software are depreciated on a straight-line basis over the estimated useful life of three to five years. Leasehold improvements are amortized on a straight-line basis over the lesser of their economic useful lives or the terms of the underlying lease.

**Securities transactions**

Securities transactions of the Company and the related revenues and expenses are recorded on a trade-date basis. Securities owned are stated at market value. Net realized and unrealized gains and losses are reflected in trading in the statement of income.

**BANORTE-IXE SECURITIES INTERNATIONAL, LTD**  
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**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those amounts. Significant estimates include taxes, certain income and receivables, and accrued compensation.

**Foreign currency translation**

Assets and liabilities denominated in foreign currencies are translated at year-end rates of exchange, while the income statement accounts are translated at rates of exchange through out the year. Gains or losses resulting from foreign currency transactions are included in net income.

**Revenue recognition**

Commissions and fee revenue and expenses are recorded on a trade date basis.

**Income taxes**

The Company accounts for income taxes in accordance with ASC 740, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes is comprised of state and local taxes computed on a basis other than net income.

ASC 740-10-25 prescribes a comprehensive model of how companies should recognize, measure, present and disclose uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740-10-25, the Company shall initially recognize tax positions in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. The Company shall initially and subsequently measure such tax positions as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and all relevant facts. The Company has reviewed and evaluated the relevant technical merits of each of its tax positions and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Company as of December 31, 2012.

**BANORTE-IXE SECURITIES INTERNATIONAL, LTD**  
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**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**3. SECURITIES OWNED**

Details of securities are as follows:

		<b>2012</b>
Money Market Funds	\$	<u>8,320,995</u>
	\$	<u>8,320,995</u>

Securities which are held at a clearing broker can be sold or repledged by the holder. At December 31, 2012, \$8,320,996, of the Company's securities is deposited with a clearing broker and is available for hypothecation.

**4. RELATED-PARTY TRANSACTIONS**

The Company entered into an agreement with Bolsa and certain affiliates, under common ownership with the Company, for the use of certain Institutional (Referral), technical, administrative, marketing and distributive services and also a proprietary trading system. Detail of related party transactions and balances are as follows:

<b>Parent Company:</b>		<b>2012</b>
Service fee paid to a related party	\$	8,413,825
Commission referral fees		639,973
Accounts receivable referral fees		368,880
Accounts receivable		268,893
Accounts payable and accrued expenses		4,225,793
 <b>Related Companies:</b>		
Accounts receivable	\$	1,868
Accounts payable		17,711
Occupancy expenses		7,200
Other expenses		47,941

**5. EMPLOYEE BENEFIT PLAN**

The Company sponsors a 401(k) plan in accordance with IRS regulation. All eligible employees, as defined may elect to contribute to the plan. The Company matches up to 10% of the amount contributed by each employee. The Company's contribution was \$120,016 for the year ended December 31, 2012.

**BANORTE-IXE SECURITIES INTERNATIONAL, LTD**  
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**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**6. FURNITURE, EQUIPMENT, SOFTWARE AND LEASEHOLD IMPROVEMENTS**

Details of furniture, equipment, software and leasehold improvements are as follows:

	<b>2012</b>
Equipment	\$ 618,618
Furniture and fixture	306,581
Leasehold improvements	1,447,227
Software cost	<u>572,991</u>
	2,945,417
Less: accumulated depreciation	<u>(930,440)</u>
	\$ <u>2,014,977</u>

Depreciation expense related to furniture, equipment, software and leasehold improvements for the year ended December 31, 2012 was \$117,183.

**7. INCOME TAXES**

The provision for income taxes for the period ended December 31, 2012 consists of the following:

Current:	
Federal	\$ -
State and local	<u>56,616</u>
Total	56,616
Deferred:	
Federal, State and local	<u>-</u>
Total tax provision	\$ <u>56,616</u>

A reconciliation of the statutory income tax provision to the effective income tax provision is as follows:

Tax benefit provision at statutory rate (34%)	\$ 202,992
State tax-net of federal tax benefit	56,616
Valuation allowance	<u>(202,992)</u>
	\$ <u>56,616</u>

**BANORTE-IXE SECURITIES INTERNATIONAL, LTD**  
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**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

The major sources of temporary differences and their deferred tax effect at December 31, 2012, are as follows:

Deferred tax asset

Net operating loss benefit	\$ 3,027,638
Depreciation	(16,309)
Less valuation allowance	<u>(3,011,329)</u>
Net deferred tax asset	\$ <u>-</u>

The company has provided a valuation allowance to fully offset the amount of the net deferred asset. Management's conclusion is that the Company would not be able to fully realize its deferred tax assets in the immediate future.

The Company has available, at December 31 2012, unused operating losses carry-forward of \$8,904,817, which may be applied against future taxable income expiring in various years through 2031. During 2012, as part of the merger with IXE Securities LLC., the Company acquired net operating losses for \$2,019,784; that are limited to offset future taxable income of \$243,242 per year

The Company files Federal, New York State and New York City income tax returns as a C corporation. Generally the Company is no longer subject to income tax examination by major taxing authorities for year before 2008. Any potential examinations may include questioning the timing and amount of deductions, the nexus of income amount the relevant tax jurisdictions and compliance with U.S. federal, state and local tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

**8. COMMITMENTS AND CONTINGENCIES**

The Company leases a space under a lease agreement which terminates in 2022. Future minimum lease payments, at December 31, 2012 are:

**Years Ending  
December 31**

2013	\$ 630,504
2014	630,504
2015	630,504
2016	630,504
2017 until 2022	<u>3,975,678</u>
	\$ <u>6,497,694</u>

Rent expensed for the year was \$641,125, which included other occupancy costs totaling \$56,685.

**Other commitments**

In the normal course of business, the Company's clearing broker is exposed to risk of loss on customer transactions in the event of a customer's inability to meet the terms of its contracts. The clearing broker may have to purchase or sell securities at prevailing market prices in order to fulfill the customer's

**BANORTE-IXE SECURITIES INTERNATIONAL, LTD**  
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**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

obligations. The Company has agreed to indemnify the clearing broker for losses that the clearing broker may sustain from the customer accounts introduced by the Company. The Company has no maximum amount and believes there is no estimable amount because this right applies to all trades executed through the clearing broker and would be based on the future non-performance of one or more clearing brokers. At December 31, 2012, the Company has not recorded any liabilities with regard to the right. The Company has the ability to pursue collection from or performance of the counterparty. At December 31, 2012 the clearing broker is owed \$2,488,711.

**9. OFF-BALANCE-SHEET RISK**

A substantial portion of the Company's assets are held at a clearing broker. The Company is subject to credit risk should the clearing broker be unable to fulfill these obligations.

Financial instruments sold, but not yet purchased resulting from certain unmatched principal transactions represents obligations of the Company to purchase the specified financial instrument at the current market price. Accordingly, although these are generally short-term in nature, these transactions result in off-balance-sheet risk as the Company's ultimate obligation to purchase financial instruments sold, but not yet purchased, may exceed the amount recognized in the Statement of Financial Condition. At December 31, 2012, the Company did not have any financial instruments sold, but not yet purchased.

**10. FAIR VALUE MEASUREMENT**

As defined in ASC 820-10, Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by ASC 820-10, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities, the Company has the ability to access.

Level 2 - Inputs, other than quoted prices included in Level 1, are either directly or indirectly observable, for the asset or liability.

Level 3 - Unobservable inputs reflect management's best assumptions of what market participants would use in pricing the asset or liability at the measurement date. The unobservable inputs should be developed based on the best information available in the circumstances and may include the company's own data.

An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation.

As of December 31, 2012, financial instruments owned by the Company primarily consist of cash and cash equivalents and are classified as Level 1. No Level 2 or Level 3 assets were owned by the Company as at December 31, 2012.

Statement of Financial Accounting Standards No. 107, disclosure about Fair Value of Financial Instruments, including assets and liabilities recognized on the statement of financial condition.

**BANORTE-IXE SECURITIES INTERNATIONAL, LTD**  
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**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**11. REGULATORY REQUIREMENTS**

The Company is subject to the Securities and Exchange Commission's ("SEC") Uniform Net Capital Rule (the "Rule") and has elected to compute its net capital under the Basic Method of this Rule. This Rule requires that the Company maintain minimum net capital, as defined, equal to the greater of \$100,000 or 6-2/3 percent of aggregate indebtedness, as defined. At December 31, 2012, the Company had net capital of \$6,641,784 which was \$6,186,245 in excess of its required net capital. The Company's aggregate indebtedness to net capital ratio was 1.03. to 1.

The Company is exempt from the provisions of SEC Rule 15c3-3 under paragraph (k)(2)(ii).

All customer transactions are cleared on a fully disclosed basis through a clearing broker.

**12. SUBSEQUENT EVENTS**

The Company evaluated subsequent events from January 1, 2013 to February 28, 2013 the date of issuance of the financial statements. During this period the clearing broker exercised its right to terminate the clearing agreement with the Company. The Company is in the process of negotiating a new clearing agreement with a new clearing broker. It is believed that such agreement will be finalized within a reasonable period of time.

\* \* \* \* \*



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FAX: (212) 687-2705

## **Independent Auditor's Report on Internal Controls Required by SEC Rule 17a-5**

To the Board of Directors of  
Banorte-IXE Securities International, Ltd.

In planning and performing our audit of the financial statements and supplementary information of Banorte-IXE Securities International, Ltd., an indirect wholly-owned subsidiary of Casa de Bolsa Banorte-IXE, S.A. de C.V. (the "Company") as of and for the year ended December 31, 2012

( on which we issued our report dated February 28, 2013), in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgment by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use of disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

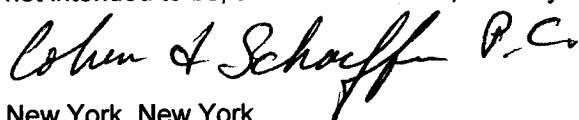
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs above and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2012 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be, and should not be, used by anyone other than those specified parties.

A handwritten signature in black ink, reading "Cohen & Schaff P.C.", is positioned above the typed name and date.

New York, New York  
February 28, 2013

**COHEN &  
SCHAEFFER**

PC.

CERTIFIED PUBLIC ACCOUNTANTS

420 LEXINGTON AVENUE

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**Independent Accountant's Report on Applying Agreed-Upon Procedures  
Related to an Entity's SIPC Assessment Reconciliation**

To the Board of Directors of  
Banorte-IXE Securities International, Ltd.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [ General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by Banorte-IXE Securities International, Ltd and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC and other designated examining authority, solely to assist you and the other specified parties in evaluating Banorte-IXE Securities International, Ltd's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Banorte-IXE Securities International, Ltd management is responsible for the Banorte-IXE Securities International, Ltd compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2012, with the amounts reported in Form SIPC-7 for the year ended December 31, 2012, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be use by anyone other than those specified parties.

*Cohen & Schaeffer P.C.*  
New York, New York  
February 28, 2013

**BANORTE-IXE SECURITIES INTERNATIONAL, LTD**  
**(An Indirect wholly-owned subsidiary of Casa de Bolsa Banorte-Ixe, S.A. de C.V.)**

**Schedule of Securities Investor Protection Corporation**  
**Assessments and Payments**  
**For the Year ended December 31, 2012**  
**(Expressed in United States Dollars)**

SIPC Net Operating Revenues Per General Assessment Reconciliation Form SIPC_7	<u>\$ 14,785,106</u>
General Assessments at .0025	\$ 36,963
Payment Remittes Form SIPC_6	<u>\$ (18,365)</u>
Amount Due with Form SIPC_7	<u>\$ 18,598</u>